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SECURITY INFORMATION

MEMORANDUM FOR THE CHIEF, FOREIGN INTELLIGENCE

13 January 1953

SUBJECT: Project AEBASIN

1. This project includes all operations into the Estonian SSR and all activities connected with this objective, including both FI and PP/W missions and responsibilities of the SR Division. When approved, Project AEBASIN will replace OPC Project LCHOMELY.

2. The objectives of Project AEBASIN are: a) to implement covert operations for infiltration and exfiltration into and out of Estonia; b) to establish clandestine contact with resistance groups in Estonia; c) to establish covert resident agent personnel in Estonia; d) to assist in the organization, development and execution of covert political and psychological warfare operations against the Soviet regime in Estonia; e) to develop covert assets for use in time of open hostilities with the Soviet Union; f) to achieve a world-wide united Estonian emigre front; and g) through controlled entree to this organization to assist it in carrying out P and P/W activities against the Soviet regime.

3. Personnel to be used in this project are AELUNG, at present a contract agent in Munich under Project LCHOMELY as a spotter, consultant and prospective agent instructor. He has an operational clearance and covert security clearance is pending. AENOTE has covert security clearance and will work for this agency in Washington. AEPALM has covert security clearance and is a prospective FI principal agent in the U.S. Two field case officers, one housekeeping couple, and two U.S. safehouse keepers will be assigned in the training and safehouse area. Two PP/W agents will be recruited in the U.S.

4. Cover used by case officers in the U.S. is that of members of an unspecified U.S. government agency. Agent covers will be tailored to their specific requirements.

5. Control of AELUNG is based on his financial dependence on us. His motivation is strongly ideological. AENOTE depends on us for financial support. Other agents will be controlled under DOB rules, regulations and facilities while in training.

6. The required communications support is provided for in the attached Communications Annex. The special equipment listed in the project outline has been coordinated with TSS.

7. The estimated total cost of the FI portion of the activities of Project AEBASIN for one year is [] (compensation and expenses for three spotters and recruiters \$16,000; compensation for indigenous agent trainees and instructors \$10,667; compensation for action agents \$24,000; procurement

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of operational intelligence [] ; operational equipment [] bribery and barter items [] and operational and developmental expenses [] The estimated yearly cost of the PP/W portion of the activities of Project AEBASIN is [] (The estimated costs on page 5 of the Project Outline are for 9 months only and have been projected to one year.)

8. The following commitments have been made to AELUNG: an understanding that upon his arrival in the United States and assumption of agent training, a new contract will be signed with an increase in salary up to \$4,800 and including death and disability benefits amounting to \$5,000 (present contract is for one year at \$4,200 per year); an understanding that upon his procuring U.S. first citizenship papers he will be eligible to purchase WAEPA and Government Employees Health Association insurance at his own expense. CIA is sponsoring AELUNG's immigration to the U.S. under Public Law 110; application for his immigration under this Act was initiated in September 1952. He has been promised help in rehabilitation and finding suitable employment in the U.S. upon his termination. AENOTE has been told that he will be eligible to procure WAEPA and Government Employees Health Association insurance at his own expense. Action agents will receive a bonus of \$5,000 upon completion of a two year mission in the denied area, in addition to their annual salary of \$4,200, and will be provided death and disability benefits in the amount of \$10,000.

RECOMMENDATION: Your approval of Project AEBASIN is recommended for the period 1 October 1952 through 30 September 1953.

[] [] for
Chief, STC

Chief, Operations

Chief, Plans

Approved: _____
Chief, FI _____ Date _____

ATTACHMENT: Project Outline AEBASIN
Communications Annex

cc: STC/SFB
RI for Vital Records

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